(e) No irregular diversion has been detected.

(f) Does not arise.

Violation of RBI Guidelines by Indian and Foreign Banks

4374. SHRI VIREN J. SHAH;
SHRI PRAMOD MAHAJAN:
SHRI SATISH AGARWAL:

Will the Minister of FINANCE be pleased to state:

(la) what steps have been taken by the Reserve Bank of India *to* ensure strict observance of its guidelines by different Indian and Foreign banks;

(b) which of the banks had violated these guidelines during the last three years, year-wise and what are the details in this regard;

(c) what penalities were imposed on each of the erring banks for violation of the guidelines; and

(d) which of the banks have not yet paid the penalities imposed upon them and what steps Government have taken or propose to take to realise the penalty amounts?

THE MINISTER OF STATE IN MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Presumably the Question refers *to* guidelines issued by Reserve Bank of India regarding priority sector lending. Commercial banks have been advised to lend certain proportion of thier credit to priority sector. The targets and sub-targets stipulated for banks in this regard are as under: —

Commercial Bank	Indian Scheduled	Foreign Banks operating in India
(i) Advances to priority sector	40% of net rbank credit	32% of net bank credit
(ii) Advances to Agricu'ture	18% of net bank credit	No target has been stepu-la'ed
(iii) Advances to weaker Section	10% of net bank credit.	Do.
(iv) Advances to Small Scale Industries	No sub-target has been stipulated.	10% of net bank credit.
(v) Export credit	Does not form part of priority sector.	10% of net bank credit.

(b) List of banks which have flailed to achieve the priority sector lending target during the last three years is furnished in the statement-(See below).

(c) and (d) Foreign banks operating in India are required to made good the shortfall if any, in (achieving the stipulated target by planning a deposit of an amount equivalent to the shortfall with the Small Industries Development Bank of India (SIDBI)) for a period of one year. All foreign banks whch have not achieved the priority sector lending target of loan made good the shortfall in achieving the target by placing deposits with SIDBI as stipulated by RBI.

The Indian Scheduled Commercial banks whose performance is found to be below the stipulated target are advised from time to time to improve their performance and achieve the target at the earliest. No penalty has been imposed, so far on the Indian scheduled/Commercial Banks.

Statement

Names of Public Sector Banks which failed to achieve the Priority Sector Lending Target of 40% *of Net Bank Credit during* 1992 *to* 1994.

S. No.	Name of the Banks	As on the last Friday of March 1992	1993	1994
1	State Bank of India	@	@	@
2	State Bank of Bikaner and Jaipur	@	@	@
3	S. B. of Hyderabad	@	@	@
4	S.B. of Indore	@	@	@
5	S. B. of Mysore	@	@	@
6	S. B. of Patiala	*	@	@
7	S. B. of Saurashtra	@	*	@
8	S. B. of Travancore	*	*	*
9	Allahabad Bank	*	*	@
10	Andhra Bank	@	@	@
11	Bank of Baroda	*	@	*
12	Bank of India	@	@	@
13	Bank of Maharashtra	*	*	@
14	Canara Bank	@	@	@
15	Central Bank of India	*	@	@
16	Corporation Bank	*	@	@
17	Dena Bank	*	@	@
18	Indian Bank	*	*	*
19	Indian Overseas Bank	*	*	*
20	New Bank of India	*	*	@
21	Oriental Bank of Commerce	*	*	*
22	Punjab National Bank	*	*	*
23	Punjab & Sind Bank	@	@	*
24	Syndicate Bank	@	@	@
25	Union Bank of India	@	@	*
26	United Bank of India	@	@	*
27	UCO Bank	@	@	@
28	Vijaya Bank	*	*	@

N.B. @- Bank which failed to achieve the target. *

Banks which achieved the target.